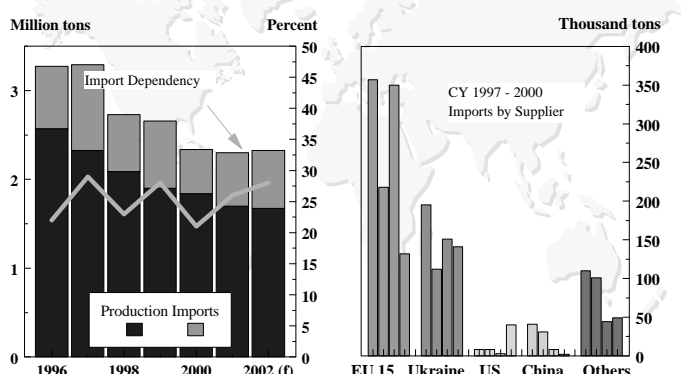


Russia's Cattle and Beef Situation

	1996	1997	1998	1999	2000	2001 (p)	2002 (f)
Cattle (1,000 head)							
Total Supply*	53,525	47,114	41,954	38,804	36,704	35,004	34,634
Slaughter	15,315	13,500	12,300	10,860	10,515	9,200	9,100
Beef (1,000 tons; carcass weight equivalent)							
Production	2,570	2,326	2,090	1,900	1,840	1,700	1,675
Beginning stocks	203	180	75	0	0	0	0
Imports	704	968	703	745	496	600	650
Exports	5	16	7	3	7	8	8
Consumption	3,292	3,383	2,861	2,642	2,329	2,292	2,317

* Total supply = beginning inventories + calf crop + imports

Rising Beef Consumption in Russia Leading to More Imports from More Suppliers While the Decline in Production Plateaus at 1.7 Million Tons



Russia's beef production in 2002 is forecast to fall 1 percent to 1.68 million tons. This 250,000-ton decline, however, is the smallest decline in 10 years and reflects new producer confidence. Stronger consumer buying power has also led to a price recovery on the domestic market. Beef imports are forecast to grow by 8 percent to 650,000 tons in 2002 as demand is recovering at a more rapid rate than supply. While Russia temporarily banned the import of beef products from many areas of the EU in the spring of 2001, the EU is still expected to remain Russia's number one beef supplier due to proximity and storage programs for BSE-free beef. Russian buyers, however, are also beginning to return to neglected suppliers in Central Asia and non-traditional suppliers in South America to stabilize beef deliveries at the least cost.